

DRAFT – Colorado Blue Ribbon Panel on Housing **working document** for report and recommendations. No recommendations have been approved by the panel at this time.
(6/20/05)

I. Introduction

The Colorado Blue Ribbon Panel on Housing was established by a partnership between the University of Denver, the Rocky Mountain Land Use Institute, and the Colorado Division of Housing in October 2004. The Panel's charge was to identify and define the most prominent housing challenges in Colorado today and to promote solutions and mechanisms for addressing such challenges on a regional and statewide basis.

The Blue Ribbon Panel was composed of 25 members who have diverse experience in the housing industry, state and local government, economic development, and finance. The nonpartisan group was co-chaired by Marc Holtzman of the University of Denver, Tom Ragonetti of the Rocky Mountain Land Use Institute, and Kathi Williams of the Colorado Division of Housing.

The Panel members commenced a thorough analysis of housing issues, problems and solutions through 13 monthly meetings from November 2004 through November 2005. Seven advisory committees were created to assist the Panel in identifying the many unique housing challenges in Colorado's different regions. The advisory committees met in the following regions: Northeast Colorado (Fort Morgan), Rural Resort Region (Glenwood Springs), Western Colorado (Grand Junction), Southwest Colorado (Durango), Southern Colorado (Pueblo), Southern Front Range (Colorado Springs) and Metro Denver (Lakewood).

[insert: summary of topics and presenters]

II. Past Housing Studies

No statewide housing task force or panel has been convened in Colorado since 1988 when Governor Roy Romer created the Governor's Unified Housing Task Force. The Task Force was composed of 19 members from various business, finance, and nonprofit organizations. The most notable result of the Task Force's report, released in November of 1988 is the Colorado Housing and Finance Authority's Housing Opportunity Fund that is still administered by CHFA.

Many of the Task Force's recommendations have been pursued since the report's release. For example, a statewide housing database for rental units has recently been launched, and early in his administration, Governor Bill Owens created an interagency council to further explore ways to better address the issue of homelessness.

Since 1988, Colorado's economy and demography has changed significantly. Having passed through a period of economic boom followed by a significant slowing of the economy during the early part of this decade, The Blue Ribbon Panel on Housing has a number of new challenges to address.

III. Why Housing Matters in Colorado –

[Identify housing's role in Colorado's economy and in economic development. Identify future trends in elderly populations, a retiring workforce, and the growth of service sector and tourism jobs. Employ Bill Kendall's Base Jobs Analysis]

These can be broken down into 7 categories as suggested by James van Hemert:

- Planning –local, regional, state, collaboration, etc.
- Regulation—zoning, building codes, definitions, etc.
- Affordability (demand side)—ability to pay, service sector jobs, etc.
- Funding –financing, funds
- Costs (supply side)—infrastructure, land, etc.
- Information –data, needs assessment, one stop shopping, etc.
- Economic development

IV. Challenges:

- Planning –local, regional, state, collaboration, etc.
 1. The need for a regional approach and for diverse solutions.
 2. Identify different regions and challenges: Metropolitan regions, Rural Resorts, Rural, and Southern Colorado.
 3. Understanding how different regions require different approaches
 4. Finding means of cooperation within regions
- Regulation—zoning, building codes, definitions, etc.
 1. The Regulatory environment and factors that drive up the cost of housing through curtailed supply
 2. Public perceptions of affordable housing – exclusionary zoning
 3. Lack of regional cooperation
- Affordability (demand side)—ability to pay, service sector jobs, etc.
 1. The growth of service sector jobs.
 2. The central role of service jobs in tourism and services for retirees and second-home owners.
 3. The cost of housing in relation to service job wages.
- Funding –financing, funding trends

1. Recognizing that voters have reported (through recent polling and referenda) that while they view housing as an important issue, they do not necessarily support new taxes for housing funds (Bonnie Osborne).
 2. Finding local solutions to declines in federal funding.
- Costs (supply side)—infrastructure, land, etc.
 1. Challenges of land costs and acquisition
 2. Strains on infrastructure through long commuting times and development impact costs.
 - Information –data, needs assessment, one stop shopping, etc.
 1. Efficient use of housing data.
 2. Avoiding duplication of services
 3. Updating housing data
 - Economic development
 1. The Role of Housing has not been defined for the Economic Development Community
 2. Lack of communication between affordable housing providers and employers
 3. Anticipating the needs of private sector employers

V. Working list of possible recommendations

Planning –local, regional, state, collaboration. Recognizing regional differences and forming appropriate policies.

For rural resort regions, include bedroom communities like Leadville, Kremmling, and Rifle in regional planning. (Severson)

For rural resort regions, include bedroom communities like Leadville, Kremmling, and Rifle in regional planning. (Severson)

Ensure that all regional developments in housing funds and local initiatives are identified in order to avoid duplication. (Haupt)

To encourage the use of needs assessments: initiate community assessment teams through a competitive process where local communities compete for a team and the team will then assess the community's needs. This is modeled on the Gov's office of economic development. (Severson)

Encourage needs assessments be done on a regional level (Williams)

Develop a well defined regional approach. Approach needs assessments and policy changes along regional lines. (Williams)

Pursue greater options using multi- jurisdictional housing authorities. (Williams)

Regulation—zoning, building codes, definitions, manufactured housing, etc.

Respect local prerogatives in regulation and zoning, but work with local communities in expanding affordable housing through: density bonuses, and increasing supply of appropriate land. (GJ Roundtable)

Create a system that will allow certain zoning efforts to meet specific requirements and then be exempted from the lengthy referenda processes that drive up housing costs. (Rock)

Increase efforts with technical assistance in dealing with regulations.

Affordability (demand side)—ability to pay, service sector jobs, etc.

Assist communities with analyzing salary and benefit levels as compared to housing prices and compared to other communities. (Spehar)

Assist communities with determining how many jobs are being created that will require affordable housing. (Ragonetti)

Pursue programs to combat predatory lending (Hernandez)

Better determine the appropriate use of homeownership programs. Multifamily housing may be more appropriate for many that are now being directed to homeownership. (Rosser)

Pursue foreclosure prevention programs (Denver and Colorado Springs Roundtables)

Funding –financing, bonds, grants, identifying waste, private sources.

Explore regulatory changes with GSE's.

Better use PAB's for community reinvestment initiatives.

Pursue a tax-free reinvestment trust as a funding source for affordable housing (Marostica)

Focus funds and initiatives on populations at 50% AMI or lower (Grand Junction Roundtable)

Pursue greater flexibility in the use of funding sources so state and local entities may direct funds more efficiently. (Williams)

Ensure that all regional developments in housing funds and local initiatives are identified in order to avoid duplication. (Haupt)

Analyze funding sources to determine numbers of units created per dollar. (Knudtsen)

Identify an appropriate role for credit enhancement in the affordable housing process (Hernandez)

Analyze funding sources to determine numbers of units created per dollar. (Knudtsen)

Recognize that housing must compete with a variety of other services provided by local governments such as transportation. Housing's role needs to be clearly defined (Rock)

Actively pursue a greater role for private foundations. (Blake)

Plan for dealing with possible long-term declines in federal funding (Williams)

Make available multi-year funding streams (Colorado Springs Roundtable)

Allow existing Housing Investment Trust Fund to make grants instead of just loans. (Housing Fund Subcommittee)

Costs (supply side)—infrastructure, land, etc.

Pursue greater use of public lands for housing under the federal "Townsite Act". (Severson)

Explore the implications of water supply and infrastructure costs on housing (Ft Morgan Roundtable) Costs

Encourage manufactured housing as an affordable housing option. (Ft Morgan Roundtable) Supply

Assist communities with conducting land inventories – municipal, county, and federal (Spehar)

Identify factors in rent level rigidity. Determine if local governments have any role in assisting with this challenge. (Why do rent levels remain high with high vacancy rates?)

Create an “infrastructure bank” to help defray costs of water, transportation, etc. (Ft. Morgan Roundtable)

Greater focus on assisting communities with land acquisition – Find ways to devote funds to land banking (Rural Resorts Roundtable, GJ Roundtable)

Legislative changes to allow short-term property ownership by the Division of Housing (Housing Fund Subcommittee)

Assist local communities with creating developable lots through better infrastructure. (Pueblo Roundtable)

Information –data, needs assessment, one-stop shopping for funds, etc.

Collect data from employers to determine the commuting preferences of the workforce. Many workers may prefer to commute rather than live in central areas. Publications of employer data.

Assist non-profit organizations with engaging economic development groups and making their housing products more available to employers.

Create a service similar to that of a collegiate financial aid office to assist organizations with identifying funding sources. This would be a one-stop shop, and would produce a product similar to that a credit counselor would produce. (Ragonetti)

To encourage the use of needs assessments: initiate community assessment teams through a competitive process where local communities compete for a team and the team will then assess the community’s needs. This is modeled on the Gov’s office of economic development. (Severson)

Conduct a statewide needs assessment (Williams)

Continually assist communities with conducting and updating needs assessments. (Knudtsen)

Develop a set of approx 8 variables that all needs assessments will have in common and will be easy to update continually. (Knudtsen)

Expand housing database to include: database of regulations and local government units (special districts, etc.); funding sources; needs assessment information; jobs and income data.

Economic development

Engage economic development organizations on housing issue and assist them with understanding the relationship between housing availability and economic development.

Economic development

Assist non-profit organizations with engaging economic development groups and making their housing products more available to employers.

Carefully define different types of housing. Distinguish between workforce housing and “affordable housing” (Tauer)

Plan for housing needs when baby boomers begin to retire in significant numbers at the end of the decade (Neukirch)

High wage jobs do not eliminate low-wage jobs, but actually encourage the creation of more service jobs. Use base jobs analysis to identify job growth trends and the need for affordable housing. (Williams)